ONTARIO INTERNATIONAL CORPORATION

Vistas

MARKETING ONTARIO'S EXPERTISE ABROAD

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AFRICAN PROJECTS DEMONSTRATE SUSTAINABLE DEVELOPMENT

Africa has become the key focus of the export strategy of Acres International Limited of Niagara Falls, Ontario, an established leader in the planning, engineering, and project management of hydroelectric and water resource developments. As demand for its services dwindles in a maturing Canadian market, Acres has turned its attention to export sales.

"We've doubled our international sales over the past three or four years," says Jack Baker, Vice President of Corporate Marketing at Acres. "They now account for about 40 per cent of our revenue, where five years ago international work was about 15 per cent of our volume. If you include our sales in the U.S., the total export figure is well over 50 per cent."

Acres' worldwide reputation in water resource and hydroelectric projects is well-earned. The company was founded in 1924 by Dr. Henry Acres, Chief Hydraulic Engineer for Ontario Hydro. Dr. Acres was responsible for one of Canada's early engineering milestones, the first Sir Adam Beck Generating Station at Niagara Falls. Since then, the company has worked extensively across Canada and in more than 90 countries around the world.

"The Ontario Hydro situation underlines the state of the hydroelectric market across the country," says Mr. Baker. "We recognized long ago that we'd have to expand our international efforts, and Africa has proven to be a key area for us."

Acres International's experience in Africa dates back to 1965, when the company completed a river hydrology study for a private client in Somalia. Since then, the company has completed more than 100 diverse assignments, including power sector projects in Tanzania, an agricultural development project in Ghana,

(see page 2)

ACRES IN AFRICA

(from page one)

hydroelectric projects in Uganda, and high-voltage transmission studies in Kenya. Today, Africa accounts for 36 per cent of Acres' offshore sales.

How did Acres emerge as a leading firm in the African market?

"It's a small club," adds Mr. Baker. "There are only a handful of firms around the world bidding seriously on these projects. Our competition is primarily from Europe -- Britain, France, Germany, Italy -- and increasingly the U.S. and Japan. Even at that, there are only 10 to 15 companies competing for each contract."

Hydro-electric projects like this one on the Volta River in Ghana have provided additional export work for Acres International.

Acres doesn't rest on its reputation to secure work in Africa. With the majority of projects funded by the World Bank or the African Development Bank, market intelligence is vital.

"We've maintained a permanent representative in Washington since the mid-1970s," he says, "and I believe that we're the only Canadian firm that does that. Intelligence ensures that we get on the short list, and of course writing good proposals helps. You have to assume that the top three firms are going to submit good proposals. Of course, client relations are paramount."

Mr. Baker adds that the value of the Canadian dollar also offers an advantage, as do various government export assistance programs. The company is currently working on projects in Kenya, Ghana, and Ethiopia, where it recently won a contract on the Birr and Koga Irrigation Project.

The Birr and Koga project involves carrying out feasibility studies to optimize land and water resource development for a 330 000 hectare catchment area, and irrigation projects covering 16 000 hectares. Financed by the African Development Fund, the project will plan the optimum utilization of both natural and human resources, and involve agriculture, fisheries, forestry, hydropower, the environment, and socio-economic aspects of development.

Working with staff from the Ethiopian Valleys Development Studies Authority, Acres is carrying out topographic and land use surveys, demographic studies, environmental assessments, institutional analysis, and agricultural surveys. Development plans will include proposals for agro-forestry, soil conservation, and watershed management.

Projects like this demonstrate the need for consulting engineers to offer a wide range of services that extend far beyond designing and building hydroelectric stations. The new relationship between hydro projects and all other resource development is best illustrated in Ghana, where Acres recently completed a project for the Volta River Authority.

After designing and supervising the construction of the Kpong hydroelectric project in Ghana, Acres was hired to conduct a feasibility study of an irrigation project downstream from the dam. The firm was responsible for detailed planning and design of field layouts, irrigation and drainage works, roads, and other infrastructure on what became the Kpong Farm.

Buildings left over from construction of the hydro project were converted for use as storage and maintenance facilities on the 150 hectare farm, which produces rice which is milled and packaged on-site. Field trials were carried out to evaluate other crops, and planning included the development of an adjacent 350 hectare area for dryland and irrigated crops.

"Our management team also trained the farm managers, and demonstrated new crops and techniques to local farmers," says Mr. Baker. "The farm operates under the direction of our farm manager, with support from our office here in Canada."

Acres has also stepped up its marketing efforts in Latin America and southeast Asia, two areas that offer particular potential for water resource development.

"There's more than enough hydro and water resources around the world," says Mr. Baker. "And the advances we've made in civil engineering and construction techniques can help us deal with any negative aspects of water resource development."Δ

Health Services Export Advisory Committee

MARKETING ONTARIO'S HEALTH CARE EXPERTISE

Of the more than $5 billion worth of health care goods and services Ontario residents consume each year, a full $3 billion is imported from the United States. Ontario is not alone in this massive trade imbalance: the multi-billion dollar health care market is dominated by U.S. and European companies around the world.

A recent OIC study of Ontario's health service industry pinpointed the problem. Although the province has a number of strong health service consulting companies, few have the expertise or resources to compete on major overseas contracts. Acting on the OIC study and other input from the industry, the Ministry of Health established the Health Services Export Advisory Committee earlier this year. The committee comprises representatives from private industry, the Ontario and federal governments, hospitals, universities, professional associations, and labor.

Chaired by former Ontario Deputy Minister of Health Graham Scott, the committee's prime objective is to help Ontario companies work together to become a major force in a lucrative health care services market. The World Bank and its agencies have committed $6 billion to health care projects around the world, on projects ranging from $100,000 up to $300 million.

Drawing on experience gained in establishing the province's world-renowned health care infrastructure, Ontario health care consulting firms already have a solid foothold in the international market. Contracts have been completed from the Bahamas to the United Arab Emirates, on projects as diverse as designing health information systems, construction and rehabilitation of hospitals, and planning of health care service delivery systems.

The health care sector encompasses everyhting from architecture and engineering to medical devices and management information systems. Recognizing this, the Health Services Export Advisory Committee has established three subcommittees to address specific needs:

·a Public Sector Subcommittee will identify government's role in exporting health services, and enhance public/private sector cooperation;

·a Services Subcommittee will compile an inventory of exportable services, identifying strengths and weaknesses;

·a Products Subcommittee will evaluate current efforts to link domestic products with international health consulting services, and recommend strategies for cooperation between product and service-based exporters.

"It's generally agreed that companies will be more successful internationally if they form consortia to combine their skills in packages that no single firm could provide on its own," notes Minister Frances Lankin, former Minister of Health and new Minister of Economic Development and Trade.

Ms. Lankin says that the government also foresees spin-off benefits for other parts of the health care sector. "During the course of their work overseas, Ontario consultants are in a position to recommend the expertise of our health care equipment and supply companies," she said. "This can result in further export opportunities."Δ

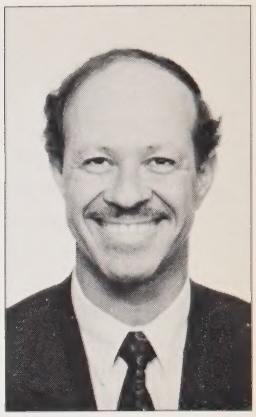
INDUSTRY INPUT

The Export Advisory Committee can be contacted through the Health Economic Development office (HED) in Toronto. HED is designed to enable the province's health industry to become more competitive through Ontario's industrial policy framework, and welcomes industry input.

Contact:
Health Economic Development,
56 Wellesley St. W.,
3rd floor,
Toronto, Ontario
Tel: (416) 327-4531

Middle East Report

ENGINEERING, ARCHITECTURAL SERVICES MARKET REMAINS STRONG



By Al Wahba,
OIC Area Director

"New opportunities are arising in telecom, industrial, housing, and hospitality construction markets."

Ontario International Corporation's definition of the "Middle East" market is a broad one, covering an area that runs from Pakistan in the east to Morocco in the west. For obvious reasons, our main emphasis has been on countries in the Arabian peninsula, where Ontario's primary exports consist of engineering and architectural services. Saudi Arabia and the United Arab Emirates remain high priority markets, with the Gulf States offering increasing export potential.

In recent years, large civil infrastructure projects have provided the bulk of work for Ontario architects and engineers working in the Middle East. Although most of that infrastructure is now complete in Saudi Arabia and the U.A.E., new opportunities are arising in the telecommunications, industrial, housing, and hospitality construction markets.

OIC's efforts are focused on market intelligence and building close business relationships, the keys to success in the Middle East. How real is the project? How real is the financing? If it's a government project, has it been included in the budget? If it's a non-government project, who are the key players?

Answers to questions such as these require a lot of time "on the ground" -- four or five visits to the Middle East for a total of about 100 days a year. The nuances of doing business in the region demand a thorough knowledge of how the system works. For example, a new business contact's name isn't simply passed on in a letter, but becomes part of a carefully planned protocol which must be followed. A large part of my job is explaining the virtue of patience to Canadian business people, who find that "as soon as possible" can be a very long time in the Middle East.

An office in the region is a necessity for exporters, as is a strong working relationship with local suppliers and sub-contractors. On larger projects, local troubleshooters must be hired, to deal with the trades, sub-contractors, and the government ministries. Canadians must also become accustomed to the fact that labour is a commodity in the Middle East, with virtually all construction work carried out by Third Country Nationals, or "TCNs".

At OIC, we have been concentrating on assembling teams of Ontario companies which can compete with the world's best. The strategy is paying off in successful bids like the $75 million Etisilat (U.A.E. Telecommunications Authority) projects, and offers promise on several other large projects which are at the short-list stage.

OIC MARKETING TRIPS SCHEDULE

Ontario professionals and firms interested in international business can co-ordinate their marketing campaigns with market development trips by OIC Area Directors, and discuss market conditions when the Area Directors return. OIC Area Directors can be reached at (416) 314-8200.

- Sandra Bruce, **Eastern Europe**, September/October: Hungary, Poland, Czech Republic, Turkey
- Robert Decent, **Western Europe**, recently returned from the United Kingdom
- Philip Wong, **Far East**, (not yet scheduled)
- Al Wahba, **Middle East and South Asia**, recently returned from Iran, U.A.E., Saudi Arabia, Bahrain, Egypt
- Fred Sheehy, **Caribbean & Latin America**, June/July: Mexico; September/October: Venezuela & Trinidad
- Jim Thompson, **Southeast Asia**, September: Philippines, Indonesia, Singapore
- Margaret Vokes, **Asia Pacific**, returning from: Thailand, Malaysia, Sri Lanka, India
- Rowena Dias, **Washington, D.C.**, July 27-29, September

NEW SOFTWARE KEY TO IN-HOUSE TRADE RESEARCH

Exporters can access more than 850 commercial data bases, and over 1,000 references to published information on export and competitive intelligence.

Ontario exporters can now have international trade information and expertise at their fingertips, with a new software package that provides easy access to trade intelligence around the world. Developed at Wilfred Laurier University in Waterloo, Ontario, the Laurier Trade Director transforms a personal computer with a modem into an in-house information centre.

Using the Trade Director software, exporters can access more than 850 commercial data bases, over 1,000 references to published information on export and competitive intelligence, contacts for more than 350 specialists, a dictionary of trade terms, and tutorials on a variety of trade topics.

"Political and economic issues, technological advances, and market conditions around the world must be factored into today's business decisions," says Teresa Walkey, information co-ordinator at the Laurier Trade Development Centre. "Now, instead of hiring consultants, businesses only need a PC and a modem to conduct their own information searches."

Ms. Walkey says the software will be particularly useful for purchasers, export managers, credit officers, market researchers, and information brokers. Developed as a joint venture with Information Systems Development Corp. of Washington, D.C., the Trade Director lets exporters easily locate and access the right data base for information on all aspects of their target market. Information searches can be carried out instantly, without the need for either data-base training or export experience.

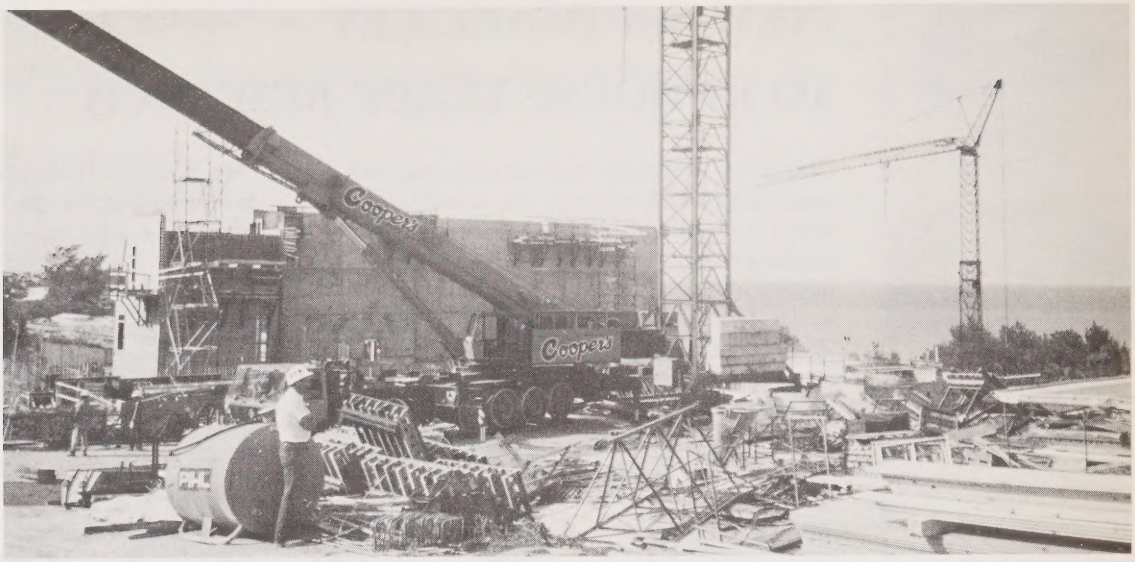
Unlike other data base software, the Laurier Trade Director is organized by type and source of information, and uses a menu of everyday English commands. The package also offers on-line access to search experts, and provides annual updates for the directories of associations, specialists, and government agencies.

The software couldn't be introduced at a better time for information-hungry exporters, and may prove to be a candidate for export sales itself. "External Affairs in Ottawa is evaluating the software right now," says Ms. Walkey.Δ

CONTACT:

For more information on the Trade Director software package, contact Teresa Walkey, Co-ordinator of Information, Laurier Trade Development Centre, Wilfred Laurier University, Waterloo, Ontario, N2 L 3C5.
Tel: (519) 884-1970 Fax: (519) 884-8848.
Established in 1988, the Laurier Trade Development Centre provides market research and consulting, and educational development services to enhance the international competitiveness of Ontario business.

EXPORTING CONSTRUCTION EXPERTISE



Bennett & Wright had to import a 250 ton crane simply to assemble the pre-fabricated boiler components.

Cogeneration is a technical term that's making its way into the general business vernacular. Spawned by both environmental and economic concerns over the efficient use of resources, cogeneration plants make double use of a single source of energy. For example, a plant using natural gas to produce steel from scrap metal uses the waste heat to produce steam, which in turn powers a turbine to generate electricity.

The tiny Caribbean island of Bermuda, which imports most of its energy resources, is putting a similar principle to work to produce electricity from garbage at its new incinerator in Tynes Bay, north of Hamilton. Bennett & Wright Limited of Toronto is the mechanical installer for Switzerland's Von Roll Limited, which is building the facility for the Bermuda government's Ministry of Works and Engineering.

"The incinerator uses proprietary technology from Von Roll," says Bennett & Wright Manager of Operations John Matthews. "The garbage is fed onto a feeder that looks something like an escalator. It moves back and forth at a set rate to control the rate of burn for the garbage."

The controlled rate of combustion allows the incinerator to produce a consistent supply of heat, which is extracted and used to generate steam to turn a turbine. Air from the burning process is routed to an electrostatic precipitator to remove contaminants. Along with providing an efficient means of garbage disposal on landfill-scarce Bermuda, the incinerator/generator will add 3.8 megawatts of electricity to the Bermuda Electric Company's power grid.

The Bermuda project is nothing new for Bennett & Wright, founded more than a century ago. The company's International Division has worked around the world, primarily on industrial construction projects such as aircraft maintenance hangars, water treatment plants, mines, and paper mills. The company has recently worked on projects in Sri Lanka, and Trinidad, and is seeking work in China and Taiwan.

"On a job like the Bermuda incinerator, we supply the skilled labor to build the facility and install the equipment," says Mr. Matthews, who is currently commuting between Bermuda, Zurich (Von Roll head office) and Toronto. "We have to up to 40 people on site, boilermakers, pipefitters, and millwrights from Canada, and local labor. We also have a project manager, construction manager, business manager, and quality control manager."

Quality control is especially important on the Bermuda incinerator project, since it is being built to conform with the stringent ISO 9000 international standard. Materials are strictly controlled on a project built to ISO 9000.

"A good example of where it's really useful is in the piping material," says Mr. Matthews. "We have carbon steel pipe, and various alloys for the steam sections. They all look similar, and they're all black in color. Under the ISO 9000 standard, the pipe is numbered, it's stored separately, and only certain people work on it."

Bennett & Wright began work on the project in October 1992, with completion set for December 1993. The tightly-scheduled job underlines the challenges of industrial construction in a less-developed country. Bennett & Wright had to import a 250 ton crane simply to assemble the pre-fabricated boiler components. Materials and equipment available at any Canadian hardware store may be difficult to obtain in Bermuda.

"You have to be able to improvise on these projects," says Mr. Matthews. "It makes it interesting."Δ

Technology keeps Terra Surveys airborne

Ottawa's Terra Surveys Ltd. isn't content to buy its high-tech systems and software off the shelf. As company President Roy Depper points out, the availability of computer technology has levelled the playing field in the competitive world of mapping and surveying.

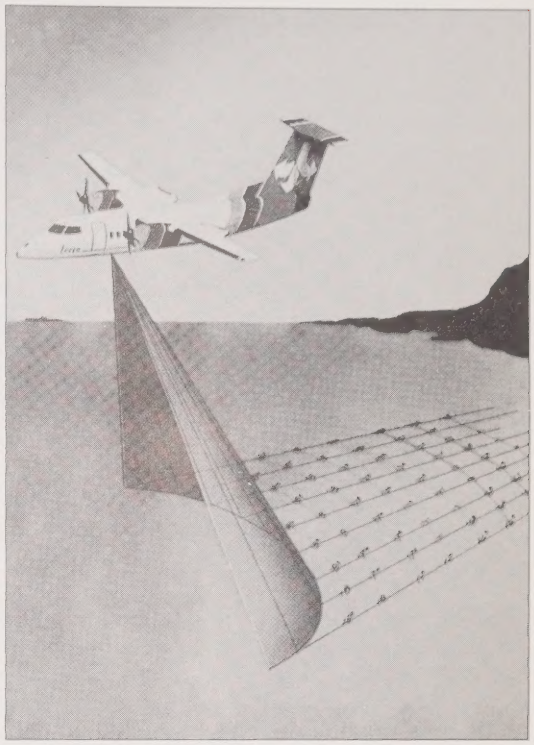
"Canada was traditionally a leader in the field, because we were the ones with the people trained to do the work," says Mr. Depper, who founded the company with six other survey professionals in 1966. "But since the computer age, everybody's just as smart as everybody else."

The employee-owned firm has been working internationally for over 20 years, from southeast Asia to central Africa. But to maintain its competitive edge, Terra has been actively involved in the development and implementation of airborne lidar surveys over the past five years. Cooperative work with the Canadian Hydrographic Service, The Canada Centre for Remote Sensing, Department of Supply and Services, and Optech Inc. has produced the LARSEN 500 Scanning Lidar Bathymeter, which allows hydrographic charting from the air.

"It's a reliable, efficient system for coastal hydrographic surveying," says Mr. Depper. "It allows us to survey 50 square kilometres per hour from the air, so it's several times faster and much cheaper than doing ship surveys. The airborne surveys are also much easier to do in remote locations, such as the Arctic."

Terra has completed LARSEN airborne lidar surveys on the Atlantic, Pacific, and Arctic coasts of North America, as well as in Asian waters. Since the system is relatively compact, it can be easily installed into a locally-based airplane.

Although the company initially performed a lot of mineral exploration work, today's survey market is dominated by topographic and hydrographic mapping, aerial photography, and global positioning surveys.



Right: A scanning laser gathers data from the ocean floor.

"The global positioning technology is very sophisticated," says Mr. Depper. "You can determine your exact position in latitude and longitude to sub-metre accuracy from a co-ordinate on the ground."

The company's 70 employees comprise a multi-disciplinary team of professional engineers, surveyors, hydrographers, geologists, and mappers. Staff are located in offices in Ottawa, Sydney, British Columbia, and St. John's, Newfoundland.

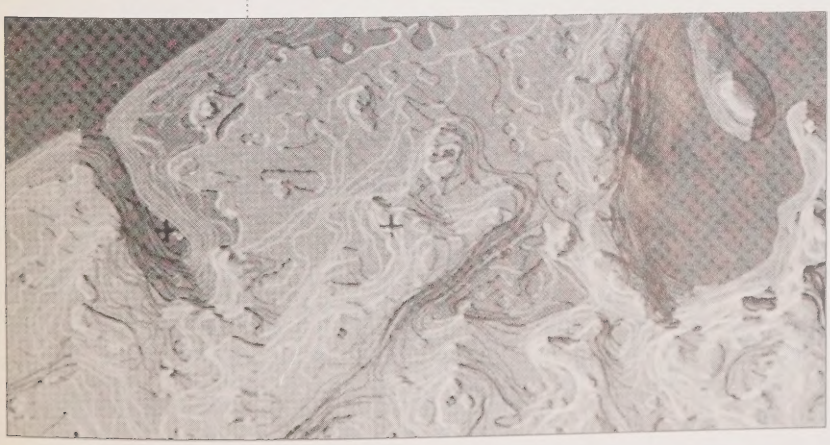
An aggressive marketer, Terra has made use of OIC and other export assistance programs to help secure contracts in Tanzania, Ghana, Morocco, Iran, the Philippines, Taiwan, and Indonesia. Mr. Depper says that such programs are vital to the company's export success.

"Without the help of these government agencies, we just wouldn't be able to pursue export work," he says. "There are lots of programs, and we use any we can."

Although Terra has eased out of the mineral exploration sector, and faces increased competition in its surveying and mapping work, Mr. Depper is optimistic about the company's future export prospects.

"It's a dynamic market," he says. "We see a lot of potential in the Arabian Gulf and southeast Asia in particular, and we've got several irons in the fire in Europe and Central Africa." Δ

Below: The results: a seafloor relief of a reef in Indonesia.



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ONTARIO INTERNATIONAL CORPORATION

SIGN LANGUAGE

First published by the *Far Eastern Economic Review*, the following collection of signs will undoubtedly bring back memories to globe-trotting exporters, while making a strong case for the use of pictographs. The question is: are they laughing at *our* translations?

In a Bucharest hotel lobby:
The lift is being fixed for the next day. During that time we regret that you will be unbearable.

In a Leipzig elevator:
Do not enter the lift backwards, and only when lit up.

In a Belgrade hotel elevator:
To move the cabin, push button for wishing floor. If the cabin should enter more persons, each one should press a number of wishing floor. Driving is then going alphabetically by national order.

In a Paris hotel elevator:
Please leave your values at the front desk.

In a hotel in Athens:
Visitors are expected to complain at the office between the hours of 9 and 11 a.m. daily.

In an Austrian hotel catering to skiers:
Not to perambulate the corridors in the hours of repose in the boots of ascension.

On the menu of a Swiss restaurant:
Our wines leave you nothing to hope for.

On the menu of a Polish hotel:
Salad a firm's own make; limpid red beet soup with cheesy dumplings in the form of a finger; roasted duck let loose; beef rashers beaten up in the country people's fashion.

In a Hong Kong supermarket:
For your convenience, we recommend courteous, efficient self-service.

In a Rhodes tailor shop:
Order your summers suit. Because is big rush we will execute customers in strict rotation.

On the box of clockwork toy made in Hong Kong:
Guaranteed to work throughout its useful life.

In a Tokyo shop:
Our nylons cost more than common, but you'll find they are best in the long run.

In a Copenhagen airline ticket office:
We take your bags and send them in all directions.

On the door of a Moscow hotel room:
If this is your first visit to the USSR, you are welcome to it.

At a Budapest zoo:
Please do not feed the animals. If you have suitable food, give it to the guard on duty.

ILLUSTRATION BY SARA JANE TYSON